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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,	)	No. CR 07-0804 VRW
	)	
Plaintiff,	)	<b>UNITED STATES' SENTENCING</b>
	)	<b>MEMORANDUM</b>
v.	)	
	)	
HESHAM BADAWI,	)	
	)	
Defendant.	)	

**I. INTRODUCTION**

On January 10, 2008, defendant pled guilty to a single count information charging him with conducting an unlicensed money transmitting business in violation of 18 U.S.C. § 1960. Defendant pled pursuant to an agreement styled under Fed R. Crim. Pro. 11(c)(1)(A) & (B) in which he and the government have made non-binding sentencing recommendations to the Court. The parties have agreed and the Probation Officer also concurs that defendant's total offense level under the sentencing guidelines is 4. (In contemplation of the probation office's presentence investigation of defendant's criminal record, his criminal history was not part of the plea agreement.) The Probation Officer has concluded that defendant falls into Criminal History Category I. The government

1 concurs with these computations as well as the Probation Officer's sentencing  
2 recommendations.

3 Additionally, in his plea agreement, defendant stipulates to the forfeiture of close to  
4 \$66,000.

## 5 6 **II. STATEMENT OF FACTS**

7 Defendant's plea agreement contains the following admissions:

8 During the period from January 22, 2001 to August 9, 2006 in San Francisco, California,  
9 I routinely transmitted money by wire to recipients outside the United States from  
10 various bank accounts. I ran this money transmitting service as a business for profit; it  
11 was open to the public-- initially to members of the public already known to me and then  
12 to other members as well-- to wire transfer money outside the United States to recipients  
13 in Syria. I wired this money through various intermediary countries including Lebanon,  
14 the United Arab Emirates, China, France, South Korea, France, Switzerland, China,  
15 Germany and South Korea.

16 During this period, I had not sought and I had not received a license from the State of  
17 California to engage in a business of receiving money for the purpose of transmitting the  
18 same or its equivalent to foreign countries. I stipulate that, California Financial Code  
19 Section 1800.3 provides "no person shall engage in the business of receiving money for  
20 the purpose of transmitting the same or its equivalent to foreign countries without first  
21 obtaining a license from the commissioner." I further stipulate that a violation of 1800.3  
22 is punishable as a felony or a misdemeanor under section 1823 of the same Code and that  
23 I operated a business without obtaining the proper license as these provisions required. I  
24 further stipulate that my business affected interstate or foreign commerce by my  
25 transferring funds from the United States to destinations in foreign countries.

26 To run my business, I maintained funds on deposit and wired funds from the following  
27 bank accounts:

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<u>Bank</u>	<u>Account Number</u>	<u>Date Opened</u>
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1	Wells Fargo Bank	1015036518	April, 2002
2	U.S. Bank	153-453570910	September, 2005
3	Bank of America	01471-66039	September, 2005
4	Citibank	40028385967	September, 2005
5	Bank of the West	042-121202	September, 2005

6 I used these bank accounts collectively to transmit an amount in excess of 4.8 million dollars  
7 abroad to over fifty beneficiaries in twenty-two countries for final payment to individuals in  
8 Syria. I retained percentages of this money as my fee.

### 9 III. SENTENCING GUIDELINES CALCULATIONS

10 The Sentencing Guidelines should be calculated as follows:

11	Offense Level:	24	U.S.S.G. § 2S1.3(a)(2)
12	Specific Offense	6	U.S.S.G. 2S1.3(b)(3)
13	Characteristic:		(Reduce to 6 because defendant asserts and
14			government cannot refute that funds were
15			proceeds of lawful activity and used for a lawful
16			purpose.)
17		- 2	U.S.S.G. § 3E1.1 (acceptance of responsibility)

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17	<b>Total</b>	<b>4</b>
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### 18 IV. STATUTORY FACTORS

19 The criteria set out in 18 U.S.C. 3553(a) warrants the sentencing range set out in  
20 both the plea agreement and the Presentence Investigation Report. Defendant's record of  
21 a felony conviction, fine, and forfeiture would serve: (a) "to reflect the seriousness of the  
22 offense, to promote respect for the law and to provide just punishment"; (b) "to afford  
23 adequate deterrence" © "to protect the public from further crime by defendant".

### 24 V. SENTENCING RECOMMENDATION

25 The United States submits that a sentence of two years probation, as well as a fine  
26 of \$2,500 and the forfeiture of \$65,992.72 complies with the United States Sentencing  
27 Guidelines, advances the purposes set forth in 18 U.S.C. § 3553(a), and amounts to a  
28 reasonable sentence. It is also a sentence consistent with the plea agreement and the

1 recommendation of the Probation Officer.

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16 Respectfully submitted,

17 JOSEPH P. RUSSONIELLO  
18 United States Attorney

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20 Dated: April 17, 2008

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22 BLAKE D. STAMM  
23 Assistant United States Attorney  
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